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**ECONOMIC ASSISTANCE  
COORDINATING  
COUNCIL**

GOVERNMENT DOCUMENTS  
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**Fiscal Year 1994 Annual Report**

**Gloria Cordes Larson, Co-Chairperson**

**Mary L. Padula, Co-Chairperson**

**Michael Hogan, Executive Director, MOBD**



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Massachusetts Office of Business Development  
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September 30, 1994

Edward B. O'Neill, Clerk and Parliamentarian of the Senate  
Robert E. MacQueen, Clerk and Parliamentarian of the House  
Massachusetts State House  
Boston, MA 02133

Dear Mr. O'Neill and Mr. MacQueen:

We are submitting herewith, in accordance with Chapter 19 of the Acts of 1993, Section 3C (3), the report of the Economic Assistance Coordinating Council (EACC) for Fiscal Year 1994.

In its first year, the Economic Development Incentive Program has begun its quest to stimulate job creation in distressed areas, attract new businesses, encourage existing businesses to expand, and increase overall economic development readiness statewide. Through this program, many cities and towns have entered into an economic development planning process in partnership with the Commonwealth in order to benefit from the many state and local incentives offered. The EACC, the entity established to administer this program, along with the Massachusetts Office of Business Development has worked and will continue to work with local officials and the business community in all phases of the Economic Development Incentive Program.

In Fiscal Year 1995, we anticipate that much of the planning and logistical foundation established in communities across the Commonwealth will result in viable economic zones, with certified projects creating new jobs and building new or rehabilitating currently vacant or dilapidated facilities. On behalf of the EACC, we look forward to seeing the groundwork laid in FY'94 bear fruit, yielding more jobs for Massachusetts residents.

Sincerely,

Gloria Cordes Larson, Co-Chair, EACC  
Secretary, Economic Affairs

Mary L. Padula, Co-Chair, EACC  
Secretary, Communities and Development

cc: His Excellency William F. Weld, Governor  
His Honor Argeo Paul Cellucci, Lieutenant Governor  
The Honorable William M. Bulger, President of the Senate  
The Honorable Charles F. Flaherty, Speaker of the House  
The Honorable Thomas F. Birmingham, Chairman  
Senate Committee on Ways and Means  
The Honorable Thomas M. Finneran, Chairman  
House Committee on Ways and Means  
The Honorable Lois G. Pines, Chairperson  
Senate Committee on Commerce and Labor  
The Honorable Daniel E. Bosley, Chairman  
House Committee on Commerce and Labor  
Members of the Great and General Court  
Members of the EACC

## **ECONOMIC ASSISTANCE COORDINATING COUNCIL**

<u>Member</u>	<u>Type of Appointment</u>
<b>Co-Chair</b> Mary L. Padula, Secretary Executive Office of Communities & Development	Statutory
<b>Co-Chair</b> Gloria Cordes Larson, Secretary Executive Office of Economic Affairs	Statutory
Christine Morris, Secretary Executive Office of Labor	Statutory
Michael P. Hogan, Executive Director Massachusetts Office of Business Development	Statutory
Suzanne Teegarden, Executive Director Industrial Services Program	Statutory
John Hoops, Director Bay State Center for Applied Technology (designee: Alex Hoffinger)	Statutory
Carol A. Aranjó Springfield, MA	Gubernatorial-Western MA
Jose L. Garcia Northborough, MA	Gubernatorial-Central MA
Kenneth I. Guscott Boston, MA	Gubernatorial-Eastern MA
Loretta George Fall River, MA	Gubernatorial-Southeastern MA
Richard W. Neitz South Yarmouth, MA	Gubernatorial-Cape and Islands
Joseph J. Bevilacqua Lawrence, MA	Gubernatorial-Merrimack Valley
Dr. Peter Cressy, Chancellor University of Massachusetts at Dartmouth	Gubernatorial-Chancellor

## **THE ECONOMIC DEVELOPMENT INCENTIVE PROGRAM**

With the enactment of Chapter 19 of the Acts of 1993, Governor Weld, Lieutenant Governor Cellucci and the Legislature inaugurated the Economic Development Incentive Program (EDIP), which is designed to stimulate job creation in distressed areas, attract new businesses, encourage existing businesses to expand, and increase overall economic development readiness. Through the EDIP, cities and towns embark on an economic development planning process in partnership with the Commonwealth in order to benefit from the Incentive Program. Planning includes setting goals and priorities, collaborating with neighboring communities and the private sector, and streamlining regulations.

The Massachusetts Office of Business Development (MOBD) set out to develop an extensive outreach program to inform municipalities and economic development officials statewide about the newly-created EDIP. In January 1994, MOBD sent letters introducing the EDIP to each of the 351 cities and towns in the Commonwealth. Also in January 1994, MOBD staffed an information booth at the Massachusetts Municipal Association Annual Conference, fielding questions about the EDIP and Tax Increment Financing.

Throughout the first six months of 1994, a series of nine comprehensive workshops was held across the state, introducing the real issues involved in the EDIP - Economic Target Areas, Economic Opportunity Areas and Certified Projects - to local officials and businesspeople. These workshops were held in Dartmouth, Gardner, Greenfield, Haverhill, North Adams, Northampton, Plymouth, Waltham and Worcester, with an average attendance of twenty-five to thirty people. The University of Massachusetts at Dartmouth, University of Massachusetts Medical Center at Worcester, Mount Wachusett Community College and Northern Essex Community College-Haverhill campus co-hosted the workshops in their respective communities. In response to favorable feedback from these sessions, additional informational workshops were held in Barnstable, Beverly, Boston, Gloucester, Greenfield, Hyannis, Lawrence, New Bedford, Rockport and Southbridge.

### The role of the Economic Assistance Coordinating Council

The Economic Assistance Coordinating Council (EACC), the thirteen-member public-private council established to administer the EDIP, originally was comprised of nine members, as set forth in the enabling legislation. In addition to the six statutorily designated members, the three gubernatorial appointees (Kenneth Guscott, Jose Garcia and Carol Aranjó) were appointed in November 1993. At the end of the 1993 legislative session, Governor Weld signed House Bill 5535, An Act Relative to the Composition of the Economic Assistance Coordinating Council. This new law provided for four additional gubernatorial appointments, in an effort to obtain representation from every region of the Commonwealth on the council, which would in turn best fulfill the intent of the EDIP legislation. The four new members (Peter Cressy, Joseph Bevilacqua, Richard Neitz and Loretta George) were appointed in spring 1994.

As the governing body, the EACC designates Economic Target Areas (ETAs). Following a three-step process, cities and towns apply for designation first as an Economic Target Area; second, for eligible Economic Opportunity Areas; and third, for Project Certification.

● An *Economic Target Area* (ETA) is three or more contiguous census tracts in one or more municipalities, meeting one of six criteria for economic need. On May 20, 1994, the EACC, chaired by Secretaries Mary L. Padula of Communities and Development and Gloria Cordes Larson of Economic Affairs, designated the following 15 ETAs in accordance with 402 CMR 2.01 through 2.15:

Boston; Brockton; Cambridge; Chelsea; Fall River; Regional ETA including Framingham, Marlborough, Ashland and Hudson; Haverhill; Lawrence; Lowell; Lynn; Regional ETA including New Bedford, Acushnet, Dartmouth, Fairhaven, Freetown and Rochester; Somerville; Springfield; Regional ETA including Taunton, Berkeley, Dighton and Norton; and Worcester.

On July 1, 1994, the EACC received applications for ETA designation from 14 communities/regions:

Regional ETA including Barnstable, Brewster, Bourne, Chatham, Dennis, Eastham, Falmouth, Harwich, Mashpee, Orleans, Provincetown, Sandwich, Truro and Wellfleet; Beverly and Salem; Billerica; Regional ETA including Gloucester, Rockport, Ipswich, Essex and Manchester-by-the-Sea; Regional ETA including Amherst, Ashfield, Athol, Bernardston, Buckland, Charlemont, Colrain, Conway, Deerfield, Erving, Gill, Greenfield, Heath, Leverett, Leyden, Monroe, Montague, New Salem, Northfield, Orange, Phillipston, Rowe, Shelburne, Sunderland, Wendell and Whately; Holyoke; Middleborough; Regional ETA including Adams, North Adams and Williamstown, Regional ETA including Gardner, Fitchburg, Leominster, Clinton, Ashburnham, Barre, Templeton, Westminster, Winchendon, Lunenburg, Lancaster and Hubbardston; Pittsfield; Regional ETA including Quincy, Braintree, Hingham, Hull and Weymouth; Regional ETA including Southbridge, Brimfield, Charlton, Dudley, Holland, Oxford, Spencer, Sturbridge, Wales and Webster; Waltham; and Wareham/Buzzards Bay.

●An ***Economic Opportunity Area*** (EOA) is an area or several areas within a designated Economic Target Area of particular need and priority for economic development. To date, two EOAs have been designated by the EACC - Lawrence and downtown Brockton. Fort Devens and the Town of Ayer were designated as an ETA and as an EOA by the Fort Devens Reuse Act, effective January 1994.

●A ***Certified Project*** is a business that is expanding, relocating, building new facilities, or creating permanent new jobs within an EOA. Certified Projects are designated and approved by the municipality and the EACC. Municipalities must offer Certified Projects local real estate tax incentives - either Tax Increment Financing or a Special Tax Assessment.

To date, two projects have been certified, both within the Ayer/Fort Devens ETA/EOA. The first Certified Project is an expansion of an existing pasta flour mill owned by the New England Milling Co., Inc.. This project will convert the existing mill into two separate mills: one for pasta flour and the other for bakery flour. The company will invest approximately \$2.3 million into new milling equipment, repiping and rewiring of the mill and associated labor costs. As a result of this expansion, the company expects to add six or seven new full-time employees to its current workforce of 28 employees.

The second Certified Project represents an expansion of an existing iced-tea and lemonade bottling facility. Northeast Hot-Fill Co-op, Inc. plans to invest approximately \$9.5 million into new processing and bottling equipment, repiping and rewiring portions of a plant owned by CPF, Inc., and associated labor costs. As a result of this expansion, Northeast Hot-Fill expects to hire 27 new full-time employees to its current workforce of 72 employees.

### **Promulgation of Regulations**

The promulgated regulations for both the EDIP and Tax Increment Financing (TIF) became effective on December 31, 1993. Draft regulations were widely distributed for comments, and three public hearings were held in Boston, Springfield and Worcester before adoption by the EACC. The EDIP regulations were published by the Executive Office of Economic Affairs (402 CMR 2) and the TIF regulations were published by the Executive Office of Communities and Development (751 CMR 11).

### **Federal Incentive Programs: Empowerment Zones and Enterprise Communities**

The federal government's new urban initiative, Empowerment Zones/Enterprise Communities (EZ/EC), is designed to empower people and communities to work together to increase economic opportunities. In late fall of 1994, the federal government will be



Executive Order 367 designates the EACC as "the Commonwealth agency responsible for reviewing the application from each community requesting designation as either a federal empowerment zone or a federal enterprise community. The EACC shall recommend whether the Commonwealth shall nominate a community to be a federal empowerment zone or a federal enterprise community" With this in mind, the Director of the EACC and MOBD staff reviewed all twelve EZ/EC applications for approval by the Economic Assistance Coordinating Council (EACC).

In June 1994, the EACC recommended that Governor Weld nominate Boston, Brockton, Cambridge, Chelsea, Fall River, Holyoke, Lawrence-Methuen, Lowell, Lynn, New Bedford, Springfield, and Worcester for designation as a federal Empowerment Zone/Enterprise Community. At a signing ceremony on June 28, 1994, Governor Weld nominated the twelve candidates for Empowerment Zone/Enterprise Community status to the federal government.

The Executive Office of Economic Affairs and MOBD provided technical assistance and worked with all twelve applicants to sharpen their competitive edge. In cooperation with Senator Kennedy and the Federal Reserve Bank of Boston, an intensive two-day technical assistance workshop was held with representatives from the Washington offices of the Department of Housing and Urban Development (HUD), the Department of Health and Human Services (HHS) and the Small Business Administration (SBA) and the applicant communities on May 31-June 1. The quasi-public agencies, Land Bank, Massachusetts Industrial Finance Agency (MIFA), Community Development Finance Corporation (CDFC), the Massachusetts Housing Finance Agency (MHFA), Industrial Services Program (ISP), Small Business Development Centers (SBDCs) and Massachusetts Housing Partnership (MHP), held concurrent sessions with each community. The Department of Employment and Training and Bay State Skills Corporation met with each community to discuss training issues.